

61-1-5. Postlicensing provisions.

(1) (a) Every licensed broker-dealer and investment adviser shall make and keep such accounts, correspondence, memoranda, papers, books, and other records as the division by rule prescribes, except as provided in:

(i) Section 15 of the Securities Exchange Act of 1934 in the case of a broker-dealer; and

(ii) Section 222 of the Investment Advisers Act of 1940 in the case of an investment adviser.

(b) All required records regarding an investment adviser shall be preserved for the period as the division prescribes by rule or order.

(2) (a) Every licensed broker-dealer shall, within 24 hours after demand, furnish to any customer or principal for whom the broker-dealer has executed any order for the purchase or sale of any securities, either for immediate or future delivery, a written statement showing:

(i) the time when the securities were bought and sold;

(ii) the place where the securities were bought and sold; and

(iii) the price at which the securities were bought and sold.

(b) With respect to investment advisers, the division may require that certain information be furnished or disseminated as necessary or appropriate in the public interest or for the protection of investors and advisory clients.

(c) To the extent determined by the director, information furnished to clients or prospective clients of an investment adviser who would be in compliance with the Investment Advisers Act of 1940 and the rules under the Investment Advisers Act of 1940 may be considered to satisfy this requirement.

(3) Every licensed broker-dealer and investment adviser shall file financial reports as the division by rule prescribes, except as provided in:

(a) Section 15 of the Securities Exchange Act of 1934 in the case of a broker-dealer; and

(b) Section 222 of the Investment Advisers Act of 1940 in the case of an investment adviser.

(4) If the information contained in any document filed with the division is or becomes inaccurate or incomplete in any material respect, the licensee or federal covered adviser shall promptly file a correcting amendment if the document is filed with respect to a licensee, or when such amendment is required to be filed with the Securities and Exchange Commission if the document is filed with respect to a federal covered adviser, unless notification of the correction has been given under Section 61-1-3.

(5) (a) All the records referred to in Subsection (1) are subject at any time or from time to time to reasonable periodic, special, or other examinations by representatives of the division, within or without this state, as the division considers necessary or appropriate in the public interest or for the protection of investors.

(b) For the purpose of avoiding unnecessary duplication of examination, the division may cooperate with:

(i) the securities administrators of other states;

(ii) the Securities and Exchange Commission; and

(iii) national securities exchanges or national securities associations registered

under the Securities Exchange Act of 1934.

Amended by Chapter 292, 2007 General Session